FIRST SET OF DOCUMENT AND INFORMATION REQUESTS OF THE DEPARTMENT OF COMMUNICATIONS AND ENERGY TO BOSTON GAS COMPANY, COLONIAL GAS COMPANY AND ESSEX GAS COMPANY D/B/A KEYSPAN ENERGY DELIVERY NEW ENGLAND

D.T.E. 04-62

Respondent: Elizabeth Danehy Arangio

<u>Information Request DTE 1-28</u>

- Q. Refer to Exhibit KED/EDA-1, Pages 34 and 35. Explain how marketers are charged for the capacity assigned to them on the Tennessee system or the Algonquin system?
- A. The Company assigns capacity to marketers on a pro rata basis in accordance with the Company's terms and conditions for capacity assignment. Once the capacity is assigned, the marketer becomes responsible for payments to the pipelines (Whether Tennessee or Algonquin) for that capacity. The Company then receives a credit on its bills from Tennessee and/or Algonquin reflecting the amounts paid directly by marketers.